

Transportation and Aviation Services



Mission: *To provide the community with safe, secure, and efficient surface and air transportation systems that support San José's livability and economic vitality.*

The purpose of the Transportation and Aviation Services City Service Area (CSA) is to provide a safe and efficient transportation system. The departments contributing to this goal—Transportation, Airport, Police, Public Works, and Planning, Building and Code Enforcement, along with the San José Redevelopment Agency—are dedicated to improving the entire transportation system including the Airport, freeways, transit, arterial streets, neighborhood streets, bicycle facilities, sidewalks, and parking facilities. The City works with other local and regional agencies, as well as the State and federal governments, to provide transportation and aviation infrastructure and services, which provide a critically important resource to support the community's livability and economy, and as such support the City's economic development efforts. The CSA's focus on building and maintaining transportation facilities and infrastructure is detailed in the capital improvement program budgets.

The CSA partners together coordinate freeway, transit, and pedestrian connections to the Airport, such as the reconstruction of the Coleman/Interstate 880 Interchange and landscape design. For 2007-2008 CSA coordination will focus on:

- Long Range Regional Transit Planning
- Transit Infrastructure including the Airport Terminal Area Improvement Program (TAIP)
- Parking Management and Revenue Control Systems
- Strategies to Mitigate Transportation System Impacts

CSA OUTCOMES

- Provide Safe and Secure Transportation Systems
- Provide Viable Transportation Choices that Promote a Strong Economy
- Travelers Have a Positive, Reliable, and Efficient Experience
- Preserve and Improve Transportation Assets and Facilities
- Provide a Transportation System that Enhances Community Livability

Primary Partners

Airport

Police

Transportation

Transportation and Aviation Services***BUDGET SUMMARY******Budget at a Glance***

	2006-2007 Adopted	2007-2008 Adopted	% Change
Total CSA Budget (All Funds)	\$151,030,860	\$162,380,793	7.5%
Total Authorized Positions	776.87	792.12	2.0%

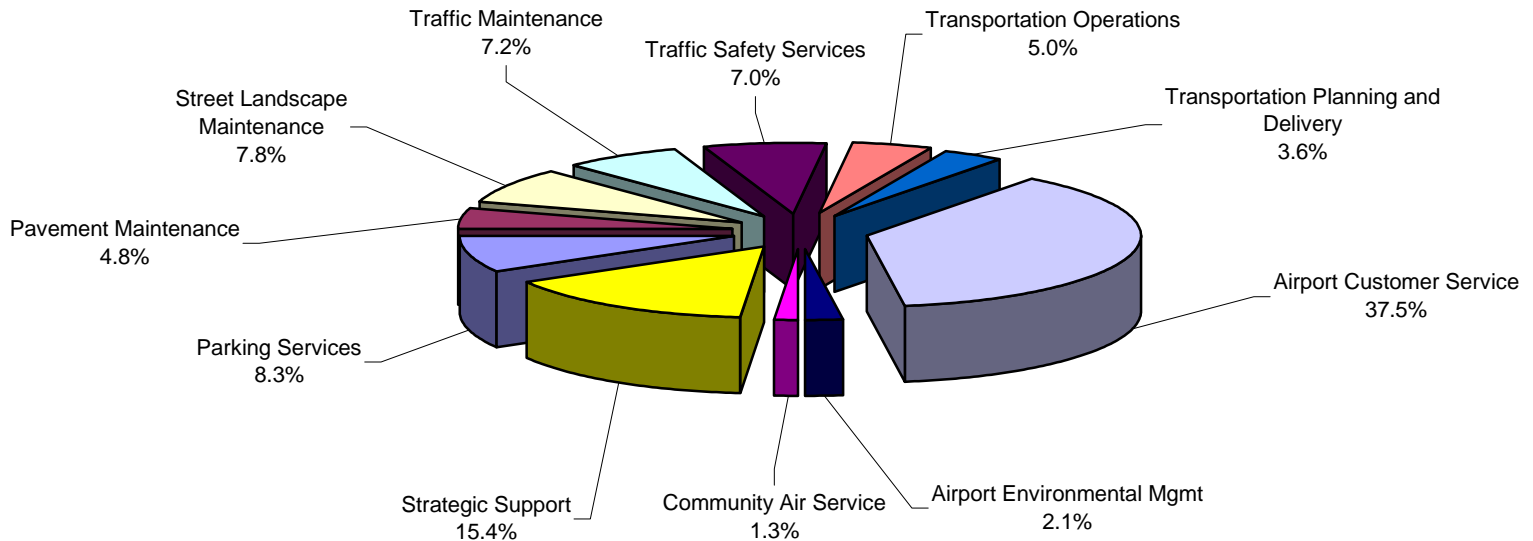
Budget & Performance Highlights

- The one-time cost for major rehabilitation and capital improvements of the City's surface transportation system is estimated at \$459 million with an annual operating and maintenance shortfall between \$20 and \$30 million. These numbers have been updated and correspond to the Transportation Maintenance Master Plan to identify needs, community priorities, and funding alternatives in alignment with the City Council's strategic objectives and three year goals established in the February 2007 Priority Setting Session. To begin to address this backlog in this budget, one-time funding of \$4.8 million in the General Fund was approved to be used for: street resurfacing (\$3.9 million), traffic sign replacement (\$420,000), and roadway striping and repainting (\$475,000).
- The Neighborhood Automated Speed Compliance Program (NASCO), a photo radar speed enforcement program, was approved for elimination. Santa Clara County recently revealed legal concerns regarding continuation of NASCO as an enforcement program; however, the City Council approved the addition of three new Motorcycle Officer positions that will be dedicated to neighborhood safety.
- Ten positions were eliminated and funding for street tree maintenance will be shifted to property owners in 2008-2009. The City will continue to provide this service in 2007-2008, but will work on a transition plan for this program next year.
- The remainder of the Sidewalk Repair Program (with the exception of hardship cases) was eliminated; the repairs will be funded by property owners beginning in 2007-2008.
- Average annual pavement maintenance funding will be \$24 million over the next five years due to an influx of State and federal grant funding. In 2007-2008, 68 miles of residential streets and 23 miles of arterial streets are projected to be sealed; approximately 12 miles of major arterial roads and 10 miles of residential roads will be resurfaced; approximately 80% of potholes will be repaired within 24 hours; and 70% of other corrective maintenance will be completed within 30 days.
- Additional funding for regional transportation improvements - VTA approved \$135 million for 65% design plans for the BART extension to Silicon Valley; Capitol Light Rail Transit (LRT) extension to Eastridge under design; and based on voter approval of Prop 1B, State Transportation Bonds have been allocated for Route 880 (237 to 101) (\$72 million) and Route 101/Tully project (\$30 million).
- In 2006-2007, Airport passenger activity was projected to decrease due to the loss of the American Airlines Narita (Japan) flight, however, a 2.5% forecasted growth rate for 2007-2008 is included in the budget.
- In fall 2006, the Airport's budget forecast showed an \$8.5 million shortfall for 2007-2008. The Airport balanced the shortfall through a strategy of multi-year cost reductions, revenues, and use of reserves.
- Airport Commercial Paper financing of \$450 million was made available to provide interim financing through June 2007 for the TAIP, the capital improvement program project whose total cost is estimated at \$1.5 billion through 2017.
- The projected Airline Cost per Enplaned Passenger (CPE) is estimated to increase to \$6.89 from the 2006-2007 estimated level of \$4.12 (a 70% increase) to fund the TAIP.

City Service Area
Transportation and Aviation Services
BUDGET SUMMARY

2007-2008 Total Operations by Core Service

City Service Area Budget Summary



	2005-2006 Actual 1	2006-2007 Adopted 2	2006-2007 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Dollars by Core Service					
Airport Customer Service	\$ 48,296,180	\$ 52,239,041	\$ 54,588,711	\$ 56,877,474	8.9%
Airport Environmental Mgmt	2,340,720	2,988,206	3,370,171	3,224,715	7.9%
Community Air Service	1,476,152	1,945,963	1,987,624	2,023,154	4.0%
Parking Services	10,085,938	11,788,286	12,165,154	12,668,145	7.5%
Pavement Maintenance	5,502,966	6,483,896	6,580,811	7,353,891	13.4%
Street Landscape Maintenance	10,131,912	11,163,076	11,488,865	11,842,083	6.1%
Traffic Maintenance	10,321,065	11,131,574	10,923,446	10,888,719	-2.2%
Traffic Safety Services	7,715,995	9,099,430	10,263,012	10,673,616	17.3%
Transportation Operations	6,520,236	7,530,014	7,717,620	7,520,416	-0.1%
Transportation Planning and Project Delivery	4,020,663	4,242,834	4,377,527	5,428,208	27.9%
Strategic Support	19,342,336	22,763,580	22,619,342	23,384,110	2.7%
Subtotal	\$ 125,754,163	\$ 141,375,900	\$ 146,082,283	\$ 151,884,531	7.4%
Other Programs					
City-Wide Expenses	\$ 1,967,433	\$ 2,375,854	\$ 2,355,564	\$ 3,133,156	31.9%
General Fund Capital, Transfers and Reserves	2,401,807	7,279,106	1,929,106	7,363,106	1.2%
Subtotal	\$ 4,369,240	\$ 9,654,960	\$ 4,284,670	\$ 10,496,262	8.7%
Total	\$ 130,123,403	\$ 151,030,860	\$ 150,366,953	\$ 162,380,793	7.5%
Authorized Positions	769.87	776.87	772.37	792.12	2.0%

City Service Area

Transportation and Aviation Services

FIVE-YEAR BUSINESS PLAN

Current Position

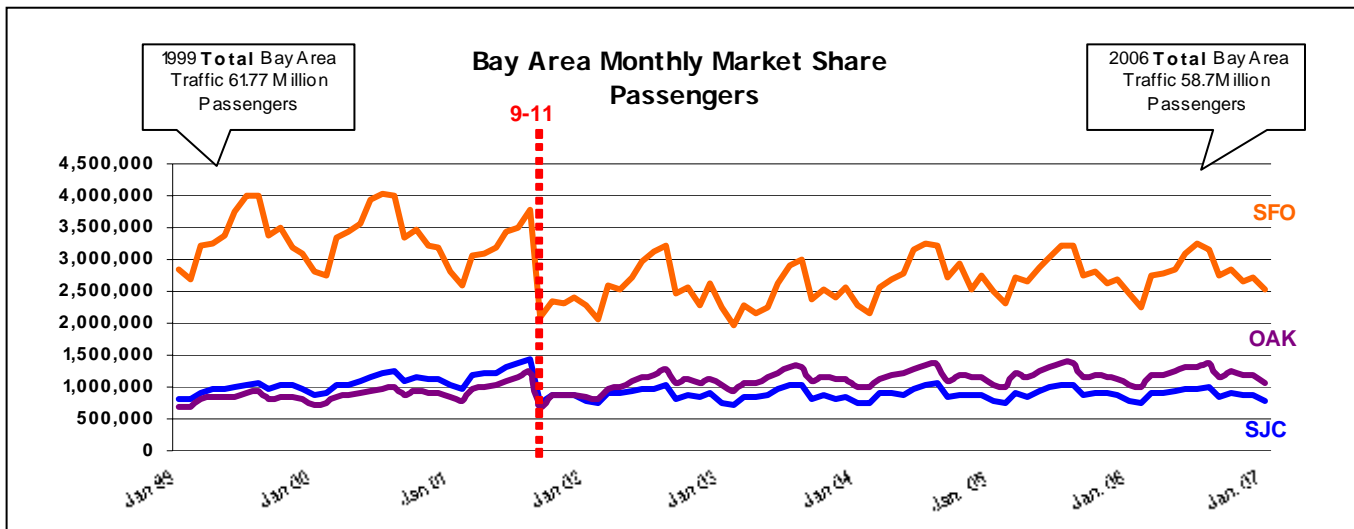
How are we doing now?

Surface Transportation

- San José remains one of the safest large cities in the nation in terms of traffic-related injuries and fatalities.
- The City's surface transportation infrastructure asset inventory has grown by almost 12% in the last five years. However, resources to adequately maintain, operate, and improve these assets have not kept pace with their growth. Staff is investigating alternate funding strategies:
- The 2008-2012 Surface Transportation CIP is increasing to \$285 million, up from \$242 million last year, primarily as a result of increased revenues associated with a new traffic impact fee for the North San José area, higher tax revenues, and higher grant revenues largely due to State and federal pavement maintenance grants.
- Recent proactive signal timing efforts are expected to improve commutes on key corridors by reducing travel times by 10-15%.
- Neighborhood traffic impacts continue to be mitigated with approximately 1,700 Traffic Calming service requests completed annually. In the 2005 survey, 73% of residents rated traffic impacts in their neighborhoods as "acceptable," a significant improvement from the 63% reported in 2000, although down somewhat from the 75% level in the 2003 survey.

Air Transportation

- Airport activity continues to show little growth and lags behind other airports. The region's economic conditions contribute to the limited growth, as does the competitive nature of the Bay Area aviation industry and ongoing financial difficulties of the airline industry.
- Mineta San José International Airport's share of the Bay Area passenger market hovers around 18%. Currently, San Francisco International serves 57% of passengers and Oakland serves the remaining 25%.



- Airline industry costs have continued to climb due in large part to increased fuel costs. Economic factors make it critical that the Airport does all it can to keep costs low while maintaining and improving customer service and developing new infrastructure.

City Service Area

Transportation and Aviation Services

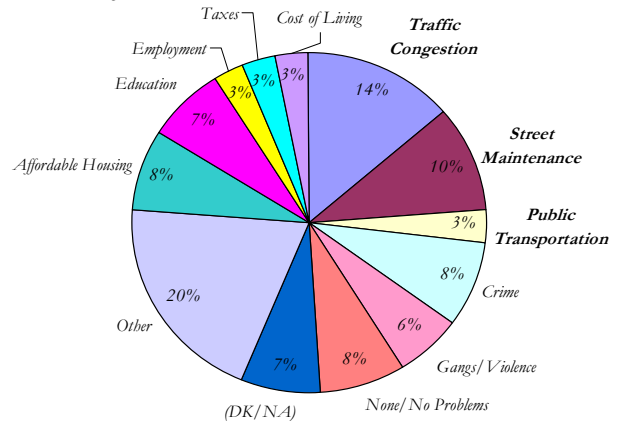
FIVE-YEAR BUSINESS PLAN

Selected Community Indicators

- **2007 Telephone Community Survey** — In the Mayor's recent telephone survey, 14% of residents surveyed rated "traffic congestion" as the most serious issue they would like to see the City address, up from 11% in 2005. Though down sharply from 28% in 2000, concerns about traffic congestion still lead all others mentioned by residents surveyed. Other transportation-related issues such as Street Maintenance and Public Transportation also ranked very highly with residents. The survey will be conducted again in fall 2007.
- **U.S. DOT Data** — San José's ratio of 3.3 injury and fatality crashes per 1,000 population compares favorably to the national average of 6.3, contributing to San José being one of the safest big cities in the nation.
- **Bay Area Survey 2006** — 26% rated "Transportation" as the largest issue of public concern, ahead of housing (14%), and the economy (13%). The survey is used to determine citizens' areas of concern within the City and region.

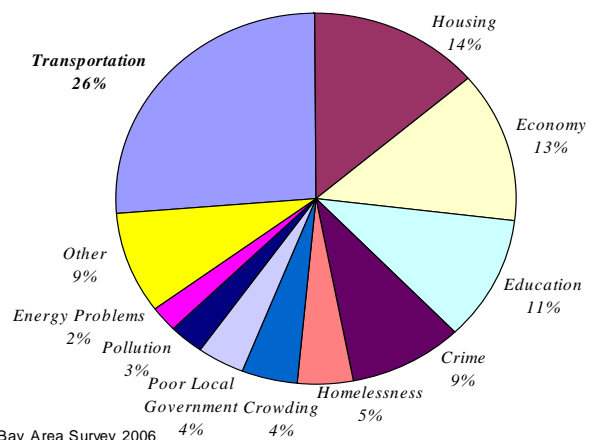
What external conditions influence our strategies?

San José Residents Issues of Concern

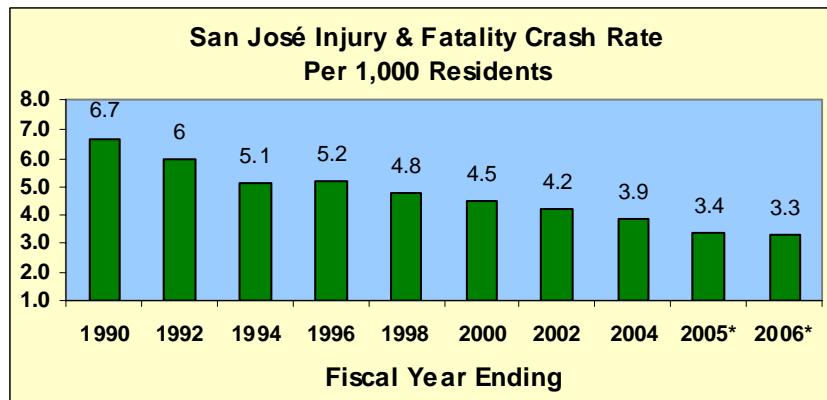


Source: 2007 Telephone Community Survey

Bay Area Public Issues of Concern



Source: Bay Area Survey 2006



* Represents calendar year data where all other years are fiscal year data. The methodology was changed to be consistent with State and national data.

City Service Area

Transportation and Aviation Services

FIVE-YEAR BUSINESS PLAN

Selected Community Indicators (Cont'd.)

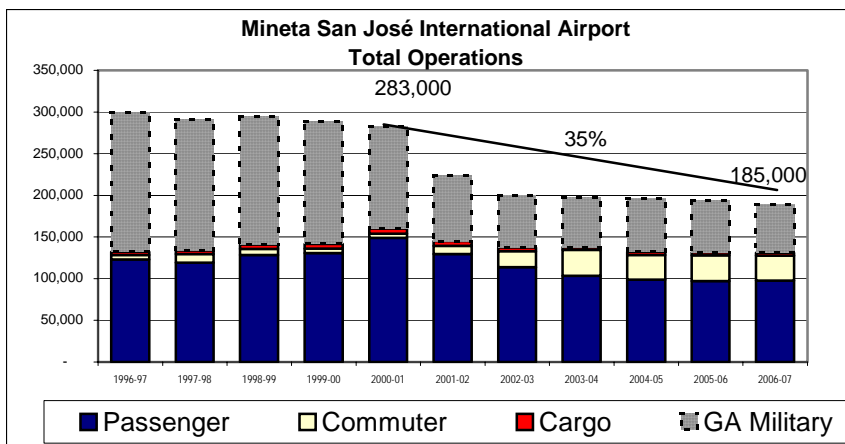
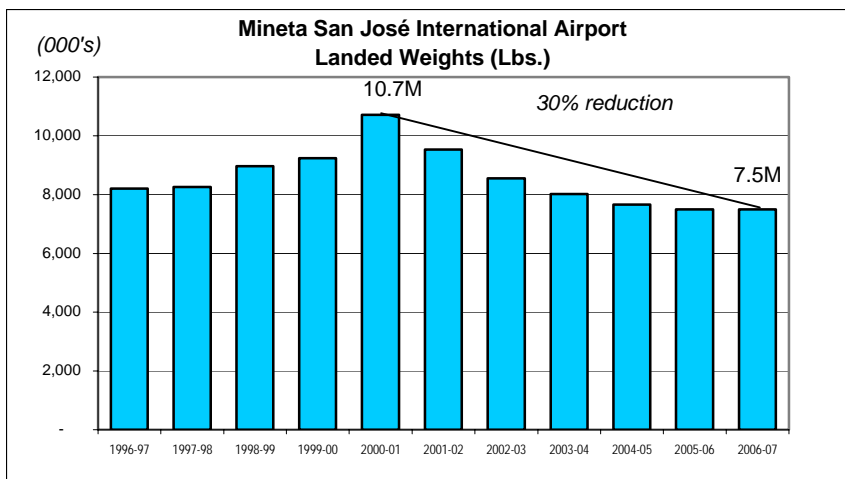
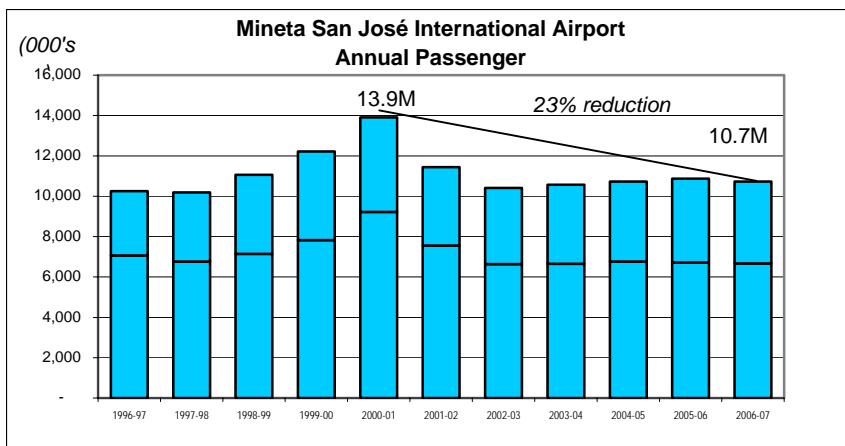
Annual Airport Passengers totaled 10.87 million for 2005-2006. Passenger projections for 2006-2007 of 10.7 million reflected a 1.3% decrease to account for the slowdown in current passengers and the loss of the Narita flight. Passenger growth of 2.5% is anticipated in 2007-2008.

The graph to the right shows the significant change to activity that Mineta San José International Airport (SJC) has experienced since fall 2001. The decreases are a combination of passenger loss as a result of September 11, the local recession, and increased competition from San Francisco and Oakland Airports.

Aircraft Landed Weight is an important activity measure in that air carriers are charged on a per thousand pound basis for airfield use. For 2005-2006, weights totaled 7.5 million lbs. and are projected to grow to 7.6 million lbs. in 2007-2008. This activity not only is influenced by the number of flights arriving, but also the type of aircraft serving San José. The move to smaller commuter jets results in reduced revenues but more efficient load factors for the airlines.

Commercial Passenger Carrier, Commuter Aircraft, and Cargo operations make up approximately 69% of the total operations at SJC. The remaining operations include both local and itinerant general aviation and military flights (less than 100 annually).

What external conditions influence our strategies?



City Service Area

Transportation and Aviation Services

FIVE-YEAR BUSINESS PLAN

Trends / Issues / Opportunities

What developments require our response?

- In November 2006, State voters approved Proposition 1B providing \$19.9 billion for transportation improvements. Funding for projects in San José will include Route 101/Tully interchange upgrade, Route 880 widening, transit enhancements, and pavement maintenance.
- Support to the Valley Transportation Authority (VTA) to advance preliminary engineering of Bay Area Rapid Transit (BART) to San José remains a priority transportation project for the region and City. The project is under design, construction is scheduled to start in 2009 and finish by 2016.
- In December 2006, legal challenges to the North San José plan were resolved, thereby allowing for the increased job and housing development. The plan includes the implementation of regional and local transportation improvements valued at \$570 million, and funded primarily by a traffic impact fee.
- In 2006, traffic congestion levels had increased 4% since 2004 as a result of an improved economy and population growth.
- Continued delay of preventive maintenance on transportation infrastructure will result in significantly higher maintenance costs in the future. For example, pavement sealing costs are up to \$85,000 per mile while resurfacing costs are up to \$552,000 per mile and total reconstruction costs average \$2.0 million per mile.
- The General Fund electricity expenses, primarily for street lights and traffic signals, have doubled from \$2.5 million in 2000 to nearly \$5 million today due to electricity rate increases and growing inventory. These costs would have increased further if not for the City being fully retrofitted to LED traffic signals. It is estimated that \$1.6 million is saved each year in energy costs from the LED retrofit project.
- The Airport must respond to the demands of many stakeholders and legal requirements which mandate that the Airport provide specific services and coordination with various partners. The Airport operates in a highly competitive environment where both air service opportunities and federal funding resources are limited and require continual attention and preparedness.
- Airport infrastructure has aged beyond its useful life. Revisions to the capital improvement program mean that travel services to and from San José - through the development of the TAIP - will be improved. The unprecedented rise in construction costs requires that priorities are evaluated throughout the process to keep project costs in line with the forecast.
- The Airport continues to face challenging operating conditions due to limited revenues, airline cost constraints, aging infrastructure, competition, security requirements, and the initiation of major capital improvements.
- The new Airport Business Model seeks to provide an equitable rate structure based on equitable facilities, and creates a partnership between the Airport and the airlines that includes revenue sharing of profits and shared risks for costs.
- Passenger activity dropped by 1.8% in 2006-2007, with a 2007-2008 projected growth rate of 2.5%. Activity recovery is dependent on a number of external factors including the local economy, air service marketing, and the health of aviation.
- Long-term predictions for regional air travel activity remain strong, however changes to aircraft, costs, increased competition, increased fuel costs, and scheduling will continue to present challenges, not only to the Airport, but to the airlines and other tenants.

Trends / Issues / Opportunities

What developments require our response? (Cont'd.)

- Airline lease negotiations, air service incentive and development programs, efficiencies in delivery of capital improvement programs, construction mitigation efforts, and fiscal planning to keep rates and charges competitive serve as significant challenges while investing in infrastructure and services to provide the City with an airport that meets the community's current and future needs.

Policy Framework

What policies guide our strategies?

- City of San José General Plan 2020
- San José Economic Development Strategy
- Airport Master Plan
- Airport Security and Traffic Relief Act (ASTRA) Ballot Measure A and the compliance finding
- City of San José Transportation Impact Policy
- Local Area Development Policies (i.e. North San José, Edenvale, and Evergreen)
- San José Greater Downtown Development Strategy and Downtown Parking Management Plan
- Federal Aviation Administration and Transportation Security Administration policies and mandates
- Transportation 2030 Plan for the San Francisco Bay Area (Metropolitan Transportation Commission)
- Valley Transportation Plan 2030 (VTA)
- Airline Master Lease Agreements
- City of San José Traffic Calming Policy and Traffic Signal Warrant Policy
- Taxi Regulatory and Service Model Study
- Various City of San José policies, ordinances, and studies including Public Art Policy, Trail Master Plan, Airport Neighborhood Services Group (ANSO), and the Strong Neighborhoods Initiative (SNI)
- Environmental management policies as set by regulatory agencies including CalTrans Aeronautics Program, California Air Resources Board, Bay Area Air Quality Management District, Regional Water Quality Control Board, California Department of Fish and Game, Santa Clara Valley Water District, and Santa Clara County Department of Environmental Health

General Plan Alignment

Adopted by the City Council, the San José 2020 General Plan sets forth the vision of San José, reflecting the community values of residents and business owners. It is a long-range plan identifying the location and intensity of land uses, character of future development and existing neighborhoods, and the overall quality of life of the San José community.

The transportation elements of the General Plan establish a goal to provide a safe, efficient, and environmentally sensitive transportation system for the movement of people and goods. In June 2005, the City Council adopted a new transportation impact policy that supports the General Plan Smart Growth strategies and interest in creating and maintaining a livable community. The policy provides flexible traffic level of service standards and emphasizes that San José is planning a balanced, multi-modal transportation system with livable streets that accommodate vehicular as well as

City Service Area

Transportation and Aviation Services

FIVE-YEAR BUSINESS PLAN

General Plan Alignment (Cont'd.)

appropriate pedestrian, bicycle, and transit facilities. All of these elements are emphasized in the Business Plan. Additionally, this CSA provides transportation planning support for various General Plan updates related to development initiatives recently approved for Downtown, North San José, and Edenvale, as well as ongoing efforts in BART station areas, Evergreen, and Coyote Valley. A comprehensive update to the General Plan is planned to begin in 2007-2008.

In the area of Infrastructure Management, the General Plan sets a goal of managing City resources efficiently in order to maintain existing infrastructure and facilities and avoid unnecessary replacement costs. However, past and projected funding is not sufficient to address management of the existing inventory or new inventory called for in the General Plan. As a result, the City is faced with significant repair and replacement costs. To prevent the situation from worsening, new funding opportunities are being explored to address this shortfall.

The performance measures contained in this Business Plan were designed to gauge how well the CSA is meeting these General Plan goals in terms of build-out of a multi-modal transportation system, and customers' perception of the system's condition and service levels. In light of projected resources, the Business Plan identifies a five-year goal of:

- 98% of planned arterial streets complete
- 60% of planned bikeway network complete
- 98% of traffic flow at intersections at Council-adopted level of service
- 50% of residents rating commute traffic flow on City streets as "acceptable" or better
- 75% of residents rating traffic impacts in their neighborhoods as "acceptable" or better
- 79% of residents rating "neighborhood" streets in "acceptable" or better condition

Although the 2020 General Plan does not provide specific details regarding Airport services or infrastructure, the Airport Master Plan, as adopted in 1987 and amended and approved by City Council in June 2006, is consistent with the General Plan and provides examples of how the Airport supports achievement of the goals.

Economic development is a fundamental priority for future growth. Generally, industrial and commercial uses generate greater revenues and require fewer services than residential uses. The effective transportation of both people and goods by land and air is essential to that development. Past trends and future projections for economic development indicate continued growth in metropolitan areas. It is vital, therefore, for San José to attract a proportional share of the area-wide economic development. Increased revenue from an industrial and commercial tax base is the most practical means of providing residents with reasonable levels of municipal services. Consistent with the 2020 General Plan, the Business Plan identifies long range service goals including:

- Encourage job growth and economic development to support the future economic health of the City;
- Provide infrastructure to support economic success to generate a robust and stable tax base necessary to fund the City's urban service needs;
- Minimize adverse impacts of growth on environmental factors, with programs aimed at reducing traffic congestion and noise, as well as seeking to improve air quality with use of alternative fuels and the building of energy-efficient systems in the development of new facilities; and
- Provide transportation services that are timely, efficient, and planned to meet business needs for all forms of travel.

General Plan Alignment (Cont'd.)

As a result, marketing and development of air service frequencies, destinations, and the encouragement of a mix of air carriers play an important role in providing the services businesses and travelers desire. Surface and Air Transportation projects and programs are developed and implemented to plan, build, and connect the City's transportation systems so that they meet economic, customer service, security, and community needs.

Key Strategic Goals & Objectives *Where are we going?*

The Transportation and Aviation Services (TAS) CSA Business Plan consolidates services into a single document to provide stakeholders with a snapshot of City transportation issues. CSA activities for 2007 are governed by the Transportation and Environment Committee. The desired outcomes – fundamentally facilitating the movement of people and goods in a manner that both strengthens the economy and enhances the quality of life for San José residents – are the central goal of the CSA. TAS is responsible for a wide range of services, operations, and infrastructure that support other City Service Areas, chiefly Community and Economic Development and Public Safety.

Outcome 1: Provide Safe and Secure Transportation Systems

- **Operate Safe, Secure, and Compliant Airport Infrastructure and Services** – Critical to Airport operations is maintaining and responding to safety and security issues to meet current and future Federal Aviation Administration and Transportation Security Administration safety and security mandates and recommendations. The most significant issue in 2006-2007 was the August 2006 security directive that prohibited liquids in aircraft cabins, requiring enhanced ramp inspections and searches, and revised restricted area escort processes. The coordinated response to successfully meet new directives continues to be a priority for the Airport and its partners, and the Airport will continue to seek to implement effective and efficient compliance programs that ensure the safety of passengers, employees, aircraft, airfield, infrastructure, and terminals.
- **Working Cooperatively with Outside Agencies** – The Airport continues to work with local, regional, and federal agencies on a daily basis to prepare for changing needs and flexible response plans.
- **Ensuring Street Safety** – The City of San José's streets are among the safest in the nation, and through the combined efforts of engineering, enforcement, and education, staff will strive to reduce the number of vehicle, bicycle, and pedestrian injury and fatality crashes and increase the percentage of residents rating traffic conditions as safe while driving, biking, and walking. Engineers will continue to use data to assess and address problem areas and research new and innovative means of improving traffic safety. Engineers will also carefully review development plans to ensure projects are designed to address street safety needs. Enforcement of traffic regulations by the Police Department will continue throughout the City, with particular emphasis on locations with high crash rates. Traffic safety education will also continue with an emphasis on school children and seniors.

City Service Area

Transportation and Aviation Services

FIVE-YEAR BUSINESS PLAN

Key Strategic Goals & Objectives

Where are we going? (Cont'd.)

Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy

- **Planning a Progressive Surface Transportation System** – Population and jobs are expected to increase by more than 30% over the next 25 years according to the Association of Bay Area Governments. To proactively plan and implement a transportation system that supports future City growth and economic development, this CSA collaborates with the Community and Economic Development CSA and regional agencies to accomplish the following progressive transportation planning goals:
 - Reduce vehicle travel by planning future development along transit corridors, locating jobs and housing in close proximity, and providing convenient pedestrian and bicycle facilities.
 - Facilitate transportation infrastructure investment by private development and leverage regional grant funding for major projects supporting City economic development.

Current efforts include transportation system development for Downtown, North San José, Evergreen, Edenvale, and Coyote Valley, as well as facilitation of major transportation investments such as: the BART extension; the Airport People Mover system; Caltrain, light rail and bus enhancements; and various freeway and expressway upgrades.

- **Deliver Quality Transportation Projects “On-Time” and “On Budget”** - The Transportation and Aviation Services CSA manages three capital improvement programs: Airport, Parking, and Traffic. In combination, these programs represent the City’s largest capital investments (\$1.9 billion in total). A major service goal is to continue to meet delivery performance targets related to quality, timeliness, and efficiency.
- **Development of Airport Infrastructure** – The 2008-2012 Airport CIP funding of \$1.6 billion represents a significant capital construction investment for the City, and will stimulate both the local and regional economy.
- **Continue Financially Sound Airport Programs** – The Airport continues to carefully examine rate structures that balance revenues, costs, and service delivery, and continues to seek both strategic and high revenue-generating opportunities for uses of its property. The Airport’s Governmental and Legislative Affairs Manager is dedicated to the pursuit of grant and legislative opportunities, to support the development of Airport infrastructure and service improvements at no additional cost to Airport rate-payers.
- **Implement an Effective Airport Business Strategy Model** – The Airport continues to study and identify key business opportunities – including the development of new lines of business, and new ways of delivering services, and the facilitation of business relationships that promote service development and revenue enhancements. Current efforts are related to the opening of the new terminal space.

Outcome 3: Travelers Have a Positive, Reliable, and Efficient Experience

- **Reward the Airport Customer Service Experience** – The Airport recently hired an Airport Customer Service Director. This dedicated resource, along with the customer service training and reward program introduced in 2005 and the recent introduction of the Registered Traveler program are examples of Airport’s focus on the customer service experience. Creative service-driven programs, a focus on communication and airport amenities, high facility standards, and maintenance and custodial services are key to keeping air travel positive during the construction process. Customer service impact analysis continues to be important to the TAIP planning process.

Key Strategic Goals & Objectives

Where are we going? (Cont'd.)

Outcome 3: Travelers Have a Positive, Reliable, and Efficient Experience (Cont'd.)

- **Creatively Implement New Airport Systems** – The City’s workforce continues to meet and exceed customers’ expectations. Keeping existing systems up and running while new systems are developed will continue to be a challenge, but staff is committed to customer service and understands the options airport passengers have to obtain air service at other regional airports.
- **Improve Regional Travel on Major Arterials and Freeways** – Through continued partnership, area cities and the County of Santa Clara, VTA, Metropolitan Transportation Commission (MTC), and CalTrans will implement projects and programs to help improve regional travel conditions. For instance, implementation of Intelligent Transportation Systems (ITS) projects along the Stevens Creek corridor will alleviate some traffic congestion during commute hours and busy holiday seasons. A transit signal priority project will be implemented along the Rapid 522 bus line (Route 82 – The Alameda – Santa Clara Street) to reduce bus travel time and to allow quicker and more frequent services. These intra-jurisdictional collaborative efforts will ensure effective management of commute traffic as well as major incidents on regional corridors and freeways.
- **Proactively Manage Downtown Traffic and Parking Issues** – Traffic conditions and parking availability play a significant role in creating a positive image of Downtown for workers, visitors, and event attendees. Recent investments in additional traffic surveillance cameras and the parking guidance system, and continued close coordination with staff from the Police Department and HP Pavilion will result in a much-improved experience for Downtown visitors, and efforts will continue to make Downtown an easy and desirable place to be.

Outcome 4: Preserve and Improve Transportation Assets and Facilities

- **Efficiently and Effectively Manage Aging Infrastructure** – Through development, infill, and capital investment, the City’s massive inventory of transportation infrastructure including pavement, landscapes, trees, sidewalks, signals, streetlights, signs, and roadway markings has continued to grow while the resources devoted to operate and maintain the infrastructure have fallen short of the level needed to properly maintain the facilities. To address the significant backlog, \$4.8 million in General Fund resources was approved for a second year in a row for street resurfacing, traffic sign replacement, and roadway striping. Also, some gains have been made through efficiencies from projects such as the Median Island Rehabilitation and Light Emitting Diode (LED) Retrofit that have reduced operating and maintenance costs. Staff continues to seek out more cost-saving ideas, but the gap between operating and maintenance needs and available funding will continue to widen. Staff will perform preventive maintenance to the extent possible while still ensuring that critical safety issues are addressed in a timely manner, but addressing the gap between resources and needs continues to be a critical issue.
- **Pursue Funding Solution to Fix Infrastructure** – There is some improvement to State and federal grant funding available for pavement maintenance. The Transportation Maintenance Master Plan will include recommended funding and implementation strategies that will be brought to the City Council in fall 2007. This project aligns with the City Council’s adopted strategic objectives and three year goals established in the February 2007 Priority Setting Session concerning reducing deferred maintenance and the infrastructure backlog, and developing a strategy to improve the infrastructure.
- **Maintain Airport Facilities** – The balance of keeping existing facilities up and running smoothly while planning and developing new facilities is especially challenging. The reallocation of Airport staff to closely manage and monitor this process was approved in this budget. Facilities staff regularly solicits feedback from Airport tenants and customers and completes regular inspections making service improvements as needed.

City Service Area

Transportation and Aviation Services

FIVE-YEAR BUSINESS PLAN

Key Strategic Goals & Objectives

Where are we going? (Cont'd.)

Outcome 5: Provide a Transportation System that Enhances Community Livability

- **Maintain and Improve Neighborhood Conditions** – Well-maintained transportation infrastructure is a key aspect of livable communities. Elements that improve neighborhood aesthetics, such as smooth streets, clean streets, and abated vehicles, as well as those that address safety, such as smooth sidewalks, curb ramps, readable traffic signs, and visible roadway markings, will continue to be provided in neighborhoods to the best of the CSA's ability with available resources. The CSA will also continue to support SNI activities throughout the City. However, the elimination of street tree maintenance beginning in 2008-2009 was approved and the reduction to service levels in landscape and traffic signal maintenance will also result from the other resource reductions approved in this budget. In an effort to mitigate this impact, the establishment of a new Downtown Property Business Improvement District was approved. Also, staff will continue to investigate alternate funding options such as a Landscape City-wide Assessment District.
- **Mitigate Neighborhood Traffic Impacts** – Implementation of various traffic calming improvements and SNI projects continues to help minimize negative impacts of traffic on residential neighborhoods. Continued emphasis on traffic safety education programs will further the goal of being the safest city in the nation when it comes to vehicular and pedestrian safety. Enforcement of traffic regulations by the Police Department, for example, with the addition of three Motorcycle Police Officers to replace NASCOP, will support safety in neighborhoods and help to keep the injury and fatal crash rate to one of the lowest in the nation.
- **Reduce Negative Environmental Impacts from the Airport** – The Airport has several programs already in place that mitigate the effects of noise issues at the Airport including curfew enforcement and noise abatement programs and policies. The Airport also provides environmental programs to recycle and reduce resource use, as well as sustainable building development. The Airport will continue to seek grant opportunities to improve community livability and mitigate negative impacts for such things as the Compressed Natural Gas (CNG) station, CNG bus fleet, and the Acoustical Treatment (ACT) Program, all of which have benefited from grant funds or financial rebate rewards.
- **Strengthen Airport Communications with Community** – Community and neighborhood communication programs continue to ensure that important information about mitigation measures taken at the Airport, for example, is disseminated on a fairly regular basis. The Airport Ombudsman reporting directly to the Aviation Director proactively provides customers with construction mitigation information to ensure a positive experience. Airport Neighborhood Services Group (ANSO) outreach and support programs continue to be developed.

Overview

The economic downturn has significantly impacted the resources available to the City and the Transportation and Aviation Services CSA. The CSA has been faced with significant reductions of both budgetary funding and positions for several years now. Despite these challenges, staff remains committed to investing resources in the smartest way to ensure that the transportation systems enhance the economic competitiveness of San José and provide residents with a successful Airport and safe, attractive streets and pedestrian corridors in their neighborhoods. With that in mind, the CSA has carefully considered the City's transportation-related needs and developed a package that reduces the General Fund resources in a manner designed to minimize the impact to asset condition and traffic safety and flow. Emphasis will remain on ensuring the safety of citizens through traffic enforcement, traffic calming activities, and timely maintenance of traffic control devices such as signals. Efforts will continue to ensure that the appearance of City streetscapes remains at acceptable levels. While preventive maintenance dollars have been significantly reduced, they will be leveraged to the extent possible to avoid more costly repairs in the future. The influx of federal and State grant funding will alleviate some of the impact to pavement maintenance, and the CSA continues to pursue alternate funding options through the Transportation Maintenance Master Plan to address the one-time and ongoing maintenance funding shortfalls. The CSA also continues to focus on operating and developing the Mineta San José International Airport in a cost-effective manner that meets the region's air transportation needs, and provides the community with a customer-friendly, safe, and secure facility.

Key Investments & Objectives *How will we accomplish our goals?*

Outcome 1: Provide Safe and Secure Transportation Systems

Year 1: 2007-2008 – Planned Service Strategies

- **Airport Safety** – Airport security is a high priority and presents a diverse set of challenges. The Airport continues to pay for direct Police and Fire services at the Airport, and, as part of the 2007-2008 Adopted Budget, ongoing funding for private security staffing to meet new security mandates was approved. Airport staff continues to work with the Transportation Security Administration (TSA) and the Police Department to implement cost effective security programs that enhance safety and security including: implementation of Orange Alert level security processes, implementation of a traveler registry program in January 2006 which maintains an advanced background verification for frequent travelers who enroll in the program; and the development and continued funding of terminal in-line baggage screening facilities and systems.
- **Traffic Safety** – Traffic enforcement is a priority for the Police Department, and efforts are focused at the right locations (top ten crash locations throughout the City), and at the right times. No reductions to this area are included in the 2007-2008 budget, so the number of collisions investigated and citations issued is expected to stay the same, as is on-scene response and investigation of non-fatal traffic collisions. As well, three dedicated Police Officers were approved to be added to the 2007-2008 budget to replace the Neighborhood Automated Speed Compliance Program. The goal remains to respond to Priority 1 calls within six minutes 75% of the time.

City Service Area

Transportation and Aviation Services

TWO-YEAR INVESTMENT STRATEGY

Key Investments & Objectives

How will we accomplish our goals? (Cont'd.)

Outcome 1: Provide Safe and Secure Transportation Systems (Cont'd.)

Year 2: 2008-2009 – Projected Service Strategies

- **Traffic Safety** – Focus will continue to be directed toward enforcement and education as provided by the Police Department Traffic Enforcement Unit as resources are available.
- **Airport Safety and Security** – The Airport will continue to seek grant funds to help support and enhance security and safety programs. As part of the Airport's infrastructure development plan, the design and development of facilities and the processes that provide screening of passengers, baggage, and cargo will continue to strive to integrate the use of superior technology to ensure the utmost reliability.

Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy

Year 1: 2007-2008 – Planned Service Strategies

- **Traffic Capital Improvements** – The 2008-2012 Adopted Traffic Capital Improvement Program (CIP) will continue the City's commitment to improve conditions on the local transportation system with \$285 million allocated to expand and enhance the transportation system. This investment includes \$21.8 million for local projects such as arterial improvements, \$34.7 million to provide safety and efficiency improvements on arterial and collector streets, and \$83.5 million for maintenance and rehabilitation of transportation assets.
- **Terminal Area Improvement Plan and Airport CIP** – The 2008-2012 Airport Capital Improvement Program (CIP) includes funding for implementation of the rephased Airport Master Plan - the Terminal Area Improvement Program (TAIP). The total program is estimated at \$1.5 billion and includes the expansion and remodel of Terminal A, a new Terminal B, phased demolition of Terminal C, extensive roadway improvements, a Consolidated Rental Car Garage, and surface parking. Capital infrastructure funding for the rephased Airport Master Plan creates jobs through construction, helping to power the region's economic vitality.
- **Off Street Parking Services** – Staff will be implementing elements of the newly revised Parking Management Plan that will facilitate convenient and available parking and support economic growth in the downtown through effective parking policies and programs. As part of this Plan's update, City Council approved a six-month pilot program that authorizes a \$5 late night parking fee after 10 p.m. Thursday through Saturday to enhance security and maintenance at City garages. Maintenance and operations of the City's 21 existing parking facilities providing over 7,800 spaces, and 2,286 parking meters will continue to be effectively managed and operated.
- **On Street Parking Services** – Parking patrols, with an emphasis on compliance, continue in the downtown, neighborhoods, and business districts to ensure safe and available parking. In an effort to maximize the number of on-street parking spaces, a comprehensive downtown traffic and on-street parking study will be conducted in 2007-2008. Continued improvement in the Vehicle Abatement program ensures cleaner streets and reduces blight in residential neighborhoods.
- **Increased Air Service to Support Economic Development** – Increased air services are critical in several of the Economic Development Strategy initiatives, most pointedly to serve as a "global gateway." This past fall the Airport hired an Air Service Development Manager whose primary focus is the development of air service. Recognizing that competition for new flights is strong, the Airport has dedicated additional resources, including the incentive program offered to airlines that reduces their first year costs for flights to certain destinations, to increase both service destinations and flights to and from San José. The ongoing addition of \$250,000 beginning in 2007-2008 to support international air service success was approved. This addition aligns with the adopted strategic objectives and three year goals established in the February 2007 Priority Setting Session.

Key Investments & Objectives

How will we accomplish our goals? (Cont'd.)

Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy (Cont'd.)

Year 1: 2007-2008 – Planned Service Strategies (Cont'd.)

- **Interim Development** of the former FMC property now called Airport West property will allow flexibility in the relocation of facilities and services, and provides construction lay down space to help ease construction congestion. Development of the property will be based on the highest and best use analysis as well as Request for Interest (RFIs) that will identify options and opportunities for use of the space.

Year 2: 2008-2009 – Projected Service Strategies

- **Traffic Capital Improvements** – Funding in 2008-2009 is expected to be \$53.1 million. Projects to enhance the transportation system will be minimal and most resources will be allocated to basic operations and maintenance.
- **Airport Capital Improvements** - The second year of the CIP will continue implementation of the rephased Airport Master Plan.
- **Air Service Development** - Air service development, marketing, and concession development will continue to be a priority. Additional flights and destinations will be sought to support and expand the local economy.

Outcome 3: Travelers have a Positive, Reliable, and Efficient Experience

Year 1: 2007-2008 – Planned Service Strategies

- **Airport Operations** – The Airport continues to be responsive to changing airport customer service needs and federal mandates, and will seek opportunities to provide improved services and infrastructure for passengers and tenants. The Airport has completed the \$6.5 million installation of Shared-Use systems, which include gate and holdroom management technology, flight information displays, dynamic signage, visual paging, ticketing and reservation systems. The Shared-Use system and the new airline lease agreements provide greater flexibility and efficiency for terminal space usage. An increase to operating expenditures and terminal support services were approved as part of this budget, and are intended to provide additional support for the Shared-Use system.
- **Transportation Operations** – The Traffic Flow Team will continue efforts to retune signals in corridors to improve commute times and support economic recovery, as well as operate Intelligent Transportation Systems to improve travel during commutes and events. Work will continue on delivery of the grant-funded Traffic Incident Management Center that will facilitate the flow of traffic in the region as well as enable staff to effectively manage incidents ranging from traffic accidents to natural disasters to other emergency situations.
- **Airport Customer Services** – Airport customer services include access, facilities and amenities, information and security, food and retail concessions, parking and shuttle services, and a host of other facilities and services. Knowing that customers have other options available to them for air travel keeps the Airport looking for new and better ways to serve the public and its tenants. In 2006-2007, the Airport hired an Airport Sign Shop Manager dedicated to enhancing the ongoing coordination, communication, and delivery of Airport services. Signage and customer communications will be important to meet the challenge of keeping customer satisfaction levels high during the accelerated construction program.
- **Proactive Ground Transportation and Parking Management** – Parking service and shuttle bus operator options are being reviewed as part of the cost cutting and service enhancement process. Shuttle bus service hours for both parking and rental car lots will be closely reviewed to control costs and ensure customer needs are met.

City Service Area

Transportation and Aviation Services

TWO-YEAR INVESTMENT STRATEGY

Key Investments & Objectives

How will we accomplish our goals? (Cont'd.)

Outcome 3: Travelers have a Positive, Reliable, and Efficient Experience (Cont'd.)

Year 2: 2008-2009 - Projected Service Strategies

- **Airport Operations and Services** - The CSA will continue to seek input from customers on how to improve and expand services and facilities. Careful monitoring of the impacts and influences of changes in the aviation industry, the local economy, and the City organization will continue.
- **Transportation Operations** – The Traffic Flow Team will continue efforts to optimize arterial traffic flow, but reductions may be necessary, impacting the timeliness of responses to service requests from the community and the number of signals timed for optimized flow.

Outcome 4: Preserve and Improve Transportation Assets and Facilities

Year 1: 2007-2008 – Planned Service Strategies

- **Pavement Maintenance** – Preventive maintenance performed on the City's 2,310 miles of streets is well below the optimal level, although the level of service in response to requests from the public to fill potholes and perform other routine corrective maintenance deemed as potential safety issues remains reasonably high. Resources are being invested in localized rehabilitation of severely deteriorated areas of streets, and continue to provide corrective maintenance and emergency repairs as needed on all streets to maintain safe driving conditions. Preventive maintenance surface sealing is being applied to 91 miles of City streets to preserve streets in fairly good condition. If the current level of funding continues, nearly 30% of all streets in the City of San José will be in need of resurfacing by the end of 2010-2011. To address the infrastructure maintenance backlog, one-time additional funding of \$3.9 million for street resurfacing was approved.
- **Traffic Maintenance** – Over 90,000 traffic and street signs, 59,000 streetlights, 888 traffic signals, and roughly 5.2 million square feet of roadway markings continue to be maintained by this core service. The overall condition of assets continues to decline from 72% to 70% in good condition due to the cumulative impact of prior cuts. Signs and markings are more faded and harder to see at night, streetlight malfunctions take longer to be repaired, and traffic signals are not functioning as efficiently. Additional staffing reductions were approved in traffic signal maintenance. Staff will continue to do everything possible to ensure that safety will not be compromised while traveling on City streets. Also, one-time funding for the infrastructure maintenance backlog for traffic sign replacements (\$420,000) and roadway markings (\$475,000) was approved in 2007-2008.
- **Street Landscape Maintenance** – This core service will continue to maintain over 500 acres of landscaping (including 280 acres in Special Districts) and inspect 2,500 damaged sidewalks. However, maintenance of the approximately 300,000 street trees was approved to revert to property owners in 2008-2009. The City will continue to provide this service in 2007-2008, and will work to develop a plan for the transition of this program. The cumulative impact of approved budget reductions is projected to result in a decline in landscape condition from 68% in 2005-2006 to 50% in 2007-2008. To maintain as much efficiency and productivity as possible, staff continues to focus on activities in which moderate investments now will prevent significant costs later, such as irrigation repair, pre-weed emergent spraying activities and low maintenance landscape modifications and renovations. -

Key Investments & Objectives

How will we accomplish our goals? (Cont'd.)

Outcome 4: Preserve and Improve Transportation Assets and Facilities (Cont'd.)

Year 1: 2007-2008 – Planned Service Strategies (Cont'd.)

- **Sidewalk Repair** – The cost of sidewalk repairs (except in hardship cases) will revert to property owners with the approved elimination of the sidewalk grant program. Citizens will have to wait longer for requested inspections, but ultimately, all reported sidewalk damage will be repaired, although at the property owner's expense.
- **Airport Terminal A Plus** – 2007 marks the transition to the Airport of American's Terminal A+. The addition of resources to support the operating and maintenance needs of the new space, including utilities, elevator, jetbridge, and baggage system maintenance, was approved in this budget.
- **Airport Master Plan** – To expedite the implementation of the TAIP and achieve cost savings, the City Council approved the selection of Hensel Phelps Construction to implement the Design-Build method of project construction. This budget marks the beginning of substantial investment in the development of the terminal area.
- **Airport Computerized Maintenance Management System (CMMS)** – Implementation of a new CMMS will support improved asset management and preventative maintenance schedules, and will allow data-driven decision making of resource allocation. The extension of a temporary position to support this system was approved in this budget.

Year 2: 2008-2009 – Projected Service Strategies

- **Pavement Maintenance** – Priority repairs such as potholes and other safety issues will continue to be addressed fully. Fewer than required miles of streets will be sealed as maintenance faces continuing funding shortfalls.
- **Street Landscape Maintenance** – This core service will continue to maintain landscaping, but if reductions are necessary, further declines in condition may result.
- **Traffic Maintenance** – The traffic and street signs, streetlights, traffic signals, and roadway markings will continue to be maintained, but preventive sign maintenance may be further reduced or eliminated. Staff will continue to provide services that will ensure travelers' safety on City streets.
- **Strategic Support** – Administrative Services will continue to provide key services in the areas of accounting and fiscal management; personnel, training and safety; and information technology for roughly 480 Transportation employees.

Outcome 5: Provide a Transportation System that Enhances Community Livability

Year 1: 2007-2008 – Planned Service Strategies

- **Transportation Operations** – The Traffic Calming Program continues to respond to service requests from the community (1,700 in 2006-2007) in an effort to mitigate traffic concerns and impacts in neighborhoods, but timeliness of responses remains low at approximately 44% (down from 83% in 2002-2003) due to limited resources. Available resources will limit other traffic calming improvements to primarily basic projects such as new pavement markings, traffic signage, and enforcement. Capital funding continues for traffic safety education, enabling the continuation of the program.

City Service Area

Transportation and Aviation Services

TWO-YEAR INVESTMENT STRATEGY

Key Investments & Objectives

How will we accomplish our goals? (Cont'd.)

Outcome 5: Provide a Transportation System that Enhances Community Livability (Cont'd.)

Year 1: 2007-2008 – Planned Service Strategies (Cont'd.)

- **Airport Noise Mitigation** – The Airport has successfully introduced a variety of noise monitoring and curfew enforcement programs, and outreach activities help the Airport work with the community to resolve various stakeholder issues. The CIP continues funding for the Acoustical Noise Treatment (ACT) Program which provides noise abatement construction to residents living in the noise contour and the Category IB Eligibility Area. To date, approximately 2,400 dwelling units and four schools have been acoustically treated, representing a combined community investment of over \$141 million. It is anticipated that the remaining homes will be completed in 2008.
- **Curfew Fine Programs** – In fall 2006, four programs were approved for funding from the Airport Curfew fine program – Fly Quiet, Alternative Fuel Grant Program, Airport Internship Program, and support for the development of Guadalupe River Park and Gardens Master Plan. Work on these projects will continue during 2007-2008.
- **Airport Environmental Programs** – The Airport's Compressed Natural Gas (CNG) station is open to the public and the Airport encourages the communities' use of alternative fuel vehicles. Recent incentives to ground transportation providers, mainly taxis, have increased the station's use another 76% over last year. Use of the CNG fuel is expected to continue to grow in 2007-2008 with the replacement of the rental car shuttle bus fleet as well as the introduction of vehicles associated with the curfew fine-funded Alternative Fuel Grant Program.

Year 2: 2008-2009 – Projected Service Strategies

- **Transportation Operations** – The Traffic Calming Program will continue efforts to address neighborhood traffic impacts. Further reductions, if necessary, will impact the timeliness of responses to service requests from the community and the number of improvements installed.
- **Airport's Environmental Program** - The CSA will continue to mitigate the environmental impacts of various Airport activities through community noise abatement, curfew compliance, air quality programs, neighborhood outreach, and traffic mitigation projects.

Outcome 1: Provide Safe and Secure Transportation Systems

Emergency Planning and Readiness

A tabletop emergency exercise was held at the Airport in March 2007 that simulated an airfield accident involving two planes. These annual exercises are not only a Federal requirement, but serve as an opportunity for public safety partners to work together to train and practice response procedures and services. This year's exercise, led by the Airport Operation's Division, included participants from the airlines, passenger and cargo, the Police and Fire Departments, the Office of Emergency Services, and approximately 40 observers that helped to critique and provide suggestions for improvement in the response. This type of program, along with ongoing partnering with regional emergency planning with San Francisco and Oakland Airports, supports the readiness of the Airport to meet the community's transportation needs as well as general emergency readiness in the City.

FAR 139 Regulatory Compliance

FAR 139 Regulatory Compliance is the Airport's compliance with Federal Aviation Regulations (FAR) Part 139 requirements. Each year the Federal Aviation Administration performs an extensive review of an airport's compliance with airport safety and operating criteria with regard to such elements as: infrastructure, maintenance, operation, policy, procedure, reporting, training, and response capability. The most recent inspection was held in March 2007 and the Airport is pleased and proud to note that there were no discrepancies found. The exceptional work provided by a variety of partners, divisions, and staff provides the community with an Airport that consistently operates in a safe and secure manner.

Orange Alert and the 3-1-1 Program

On August 10, 2006, Airports throughout the nation were once again challenged to quickly provide revised security screening. Amid security concerns about liquids and gels, these handheld items were prohibited past security checkpoints and aboard planes. The Airport and its many partners came together not only to respond to the changes required to enhanced

screening and airfield access, but also to inform customers of the new regulations. The 3-1-1 program allows passengers to carry on board three ounce bottles or less packed in a one quart-sized, clear, plastic, zip-top bag; one bag per passenger is allowed. This program was instituted at SJC as a joint effort, with the



guidance and support of Airport Ambassadors, Airport Operations, the Transportation Security Administration (TSA), and the airlines.

Additional costs associated with the higher level security has been offset by Urban Area Security Initiative (UASI) Grant funds; in 2006-2007, the Airport received \$1.2 million in reimbursement for costs associated with increased security staffing requirements.

Improved Crash Rates and Safety

The Police and Transportation Departments will continue to enhance safety through programs that address locations with high crash rates. The efforts are expected to keep the rate of crashes on arterial and neighborhood streets from increasing.

Based on the crash data for the calendar year 2006, the rate of injury and fatality crashes has dropped to 3.3 occurrences per 1,000 population. This is a significant improvement from earlier years and achieves the 2008-2012 five-year goal and is well below the national average of 6.3 occurrences per 1,000 population. Further, residents' ratings of traffic conditions as safe while driving, bicycling, and walking have all realized substantial gains since the last survey in 2005. It is believed that the improvement in crash rates and citizens feeling safe is reflective of many factors

City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 1: Provide Safe and Secure Transportation Systems (Cont'd.)

including specific City investments in transportation safety projects such as: the Safe Streets Initiative (pedestrian countdown heads); Transportation Development Act Article 3 Improvements (bicycle

lanes, sidewalks, and school safety education); Americans with Disabilities Act (ADA) Curb Ramps; and various Strong Neighborhoods Initiative (SNI) projects.

5 Year Strategic Goals	CSA Performance Measures	2008-2012 5-yr Goal	2006-2007 1-yr Target	2006-2007 Estimated	2007-2008 1-yr Target	2008-2009 2-yr Target
A. Improve Surface Transportation System Safety	1. % of residents rating traffic conditions as safe while:					
	Driving	83%	83%	83%	83%	83%
	Bicycling	50%	48%	48%	48%	48%
	Walking	80%	79%	79%	79%	79%
	2. Number of injury crashes per 1,000 population	3.4	3.4	3.3	3.4	3.4
	3. Number of pedestrian and bicycle-related injury crashes per 1,000 population	0.60	0.63	0.61	0.60	0.60
B. Achieve Safe and Secure Air Transportation System and Infrastructure	1. Pass Annual Federal Aviation Regulation FAR 139 inspection with no discrepancies identified	100%	100%	100%	100%	100%

Changes to Performance Measures from 2006-2007 Adopted Budget: Yes¹

¹ Changes to Performance Measures from 2006-2007 Adopted Budget:

↳ “injury and fatality crashes” was revised to “injury crashes” to better reflect the majority incidence.

City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy

City Economic Development Strategy

Mineta San José International Airport strives to provide the air service necessary to support the Silicon Valley economy, including cargo services to support transportation of the region's products to the global market. Results of this outcome are achieved by providing the facilities and infrastructure to support transportation through air service and programs to develop and support the appropriate diverse mix of carriers, destinations, and flight frequencies to meet service demands of the region.

Air Service Development

The Airport continues to work with its partners – the Office of Economic Development, Convention and Visitor's Bureau, and the San José Silicon Valley Chamber of Commerce – to conduct market research and outreach to the business community. As noted earlier in this document, the 2007-2008 Adopted Budget includes the addition of \$250,000 in funding for programs to support new international service destinations. Air service development funds and the Airport Incentive program, which eliminates airport fees during the first year of operations at San José for certain destinations, serves to support not only the Airport, but businesses looking for direct service to particular destinations. The CSA strives to partner with businesses to help ensure the success of the regional economy. This includes providing air service between strategic markets, as well as providing facilities and services businesses desire.

Airport Capital Improvement Program

The 2008-2012 Airport CIP totals \$1.6 billion and focuses primarily on the completion of construction of the North Concourse Building and the implementation of Phase I of the Terminal Area Improvement Program (TAIP). The CIP also includes the construction of a Consolidated Rental Car Facility, public art, and terminal and tenant improvements.

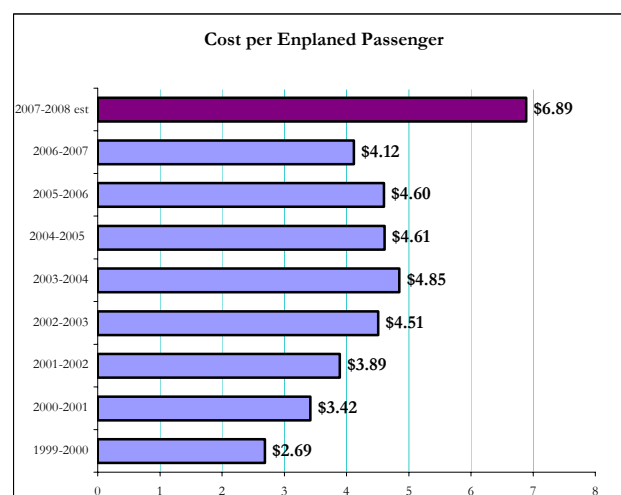
Airport interim development of the Airport West (formerly FMC) property is anticipated to provide beneficial uses for the Airport and community.

Opportunities to use areas on the site continue to be gathered and evaluated.

Airline Rates and Charges

Another important aspect of partnering with business is maintaining a competitive rate structure. Competition for new air service between the Bay Area's airports makes it particularly important for San José to maintain a positive business environment in order to remain a viable option for airlines. This enhances the likelihood of meeting the air service needs of businesses in the region. The Adopted Budget includes an increase to the landing fee, from \$1.80 to \$2.00 per thousand pounds. The average rental rate is estimated to be \$131 per square foot.

Perhaps the most important measure in this outcome is the cost per enplaned passenger (CPE), which increased from \$4.12 to \$6.89 in 2007-2008 as the result of the development of the revised TAIP. Based on the most recent financial studies, the projected CPE in 2011 could reach \$11.09. Following is a chart which provides a history of the CPE at SJC. It is important to point out that these costs are influenced by both the costs of operating and building the Airport, as well as the number of passengers using the Airport.



***Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy
(Cont'd.)***

Surface System Completion

Transportation remains a high priority in the Bay Area, topping the list in the recent Bay Area Public Issues of Concern survey. Transportation-related issues were once again a top issue of concern for San José residents. Limited General Fund and Traffic CIP resources will continue to impact the City's ability to facilitate the completion of the planned Local and Regional Transportation System. Nonetheless, providing viable transportation choices remains a key goal of the CSA, and many projects are underway this year to support that effort.

In response to City Council priorities, the CSA has and will continue to focus on projects that have a positive impact on economic development within the region. Recent completion of the Route 87 freeway and the Route 880/Coleman interchange project are facilitating the expansion of Mineta San José International Airport and access to Downtown. Continued partnership with CalTrans, VTA, and the County will facilitate improvements at the Route 880/Stevens Creek interchange, Route 880 from 237 to 101, and along Route 101 in North San José, Berryessa, Evergreen, and Edenvale areas. Also, funding from the North San José Development Plan will improve Montague Expressway. These efforts will bring the percent of local arterial street systems planned to 98% complete in five years and the percent of planned freeway and expressway systems complete to 93% in five years.

With such a significant portion of the arterial and highway system complete, the CSA is ensuring that resources are also directed towards alternate commute options such as the bike, pedestrian, carpool, and rapid transit networks. Support to the VTA and other regional partnerships to facilitate BART to San José remains a priority transportation project for the region and City, and design work is active for the BART extension to San José and the light rail extension along Capitol Expressway. In addition, key investments are being made to expand bicycle and pedestrian facilities as well as carpool lanes. Both short term and five-year

goals reflect the anticipated benefit of these investments.

Alternate Commute Options

The percentage of commuters not driving alone to work is estimated to remain the same. While increasing gasoline prices have the potential to shift travel to transit and non-auto modes, the ongoing reductions in transit service and higher fares tend to have an offsetting effect. Residents rating access to public transit as "easy" have declined recently and are anticipated to remain at about 75%. Strategies to boost alternate commute options include the development of new transportation funding sources to support transit services. Also, continued "smart growth" development that locates more jobs and housing within close proximity and along transit lines will help to foster more travel by walking, biking, and transit.

The VTA is modifying its bus services to reflect a more cost effective business model. As part of that change, VTA has instituted services such as the Rapid 522, which provides faster, more frequent and more direct service between East San José and Palo Alto. In addition, VTA is reviewing Community Bus service, which is a concept for using smaller vehicles in smaller designated areas.

CIP Delivery

The project delivery team for both air and surface transportation continues to improve planning and problem solving, keeping more projects on-time and on-budget. The CSA delivered 89% of its projects on-time, and 68% on-budget in 2006-2007, and expects to continue improvement in this area of performance in 2007-2008. Working in partnership with the CIP Action Team, each project is tracked in detail, issues are addressed in a timely manner, and projects are being delivered on-time more consistently.

City Service Area
Transportation and Aviation Services
PERFORMANCE BY OUTCOME

Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy
(Cont'd.)

5 Year Strategic Goals	CSA Performance Measures	2008-2012 5-yr Goal	2006-2007 1-yr Target	2006-2007 Estimated	2007-2008 1-yr Target	2008-2009 2-yr Target
A. Facilitate Completion of Planned Local and Regional Transportation System	1. % of planned arterial street system complete	98%	98%	98%	98%	98%
	2. % of planned bikeway network complete	60%	56%	56%	56%	56%
	3. % of residents rating the City service in providing bike lanes and paths as good or better	65%	62%	62%	62%	62%
	4. % of established pedestrian corridors meeting design standards	27%	26%	26%	26%	26%
	5. % of planned systems completed:	27%	26%	26%	26%	26%
	Freeway and Expressway %	93%	93%	93%	93%	93%
	Carpool Lane %	96%	96%	96%	96%	96%
B. Expand Use of Alternate Commute Options	Rapid Transit %	41%	41%	41%	41%	41%
	1. % of commuters not driving to work (includes telecommuters)	30%	27%	N/A*	N/A*	N/A*
C. Meet Communities Needs for Air Service Destinations and Frequencies	2. % of residents rating access to public transit as "easy"	78%	75%	75%	75%	75%
	1. % of customers able to reach desired destinations from the Airport	80%	70%	N/A**	N/A**	N/A**
	2. % of customers surveyed rating the frequency of air service as good or excellent	80%	75%	N/A**	N/A**	N/A**
	3. % of regional air service market	18%	18%	18%	18%	18%
	4. % of corporate travel planners and travel agents that feel SJC provides adequate domestic air services to business passengers	85%	75%	N/A**	75%	80%
D. Provide Corporate and Cargo Services that Support the Communities' Business Needs	5. % of corporate travel planners and travel agents that feel SJC provides adequate international air services to business passengers	30%	27%	N/A**	N/A**	N/A**
	1. % of regional demand for air cargo services met by SJC	10%	7%	7%	7%	7%

Changes to Performance Measures from 2006-2007 Adopted Budget: No

* This data used to be tracked by the Metropolitan Transportation Commission through a contract for rideshare services. This contract expired and the new contract did not specify that this data be collected and it is no longer available.

** The annual Airport Customer Survey has been temporarily suspended (2005-2006 through 2007-2008) in order to focus on long-term improvements to facilities and services.

City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy (Cont'd.)

5 Year Strategic Goals	CSA Performance Measures	2008-2012 5-yr Goal	2006-2007 1-yr Target	2006-2007 Estimated	2007-2008 1-yr Target	2008-2009 2-yr Target
E. Cost to Airlines of Operating at the Airport is Competitive with other Airports in the Region	1. Airline cost per enplaned passenger	\$11.09	\$5.30	\$4.12	\$6.89	\$10.20
F. CSA Delivers Quality CIP Projects On-time and On-Budget	1. % of CIP projects delivered within 2 months of approved baseline schedule	85%	85%	89%	85%	85%
	2. % of CIP projects that are completed within the approved baseline budget	90%	90%	68%	90%	90%
	3. % of operations and maintenance divisions rating new or rehabilitated capital facilities as being functional and sustainable after first year of use	80%	80%	82%	80%	80%
	4. % of customers rating new or rehabilitated CIP projects as meeting established goals (4 or better based on a scale of 1-5)	85%	85%	86%	85%	85%

Changes to Performance Measures from 2006-2007 Adopted Budget: Yes¹

¹ Changes to Performance Measures from 2006-2007 Adopted Budget:

✕ “% of project delivery costs compared to total construction costs for projects less than \$500,000, between \$500,000 and \$3,000,000, and greater than \$3,000,000” has been eliminated from each CSA, and replaced by a new measure in the Public Works Department Plan, Design and Construct Public Facilities core service located in the 2007-2008 Adopted Operating Budget. The revision introduces an improved methodology which captures more complete project delivery costs and sets targets based on benchmarks by project type.

Outcome 3: Travelers Have a Positive, Reliable and Efficient Experience

Airport Guest Experience and Expectations

The focus of this outcome at the Airport is to provide a positive and predictable experience for customers. Airport customer service demands are constant and ever-changing. Passengers expect more from the Airport, while fiscal constraints continue to mean reduced staffing levels and reductions to non-personal/equipment funding.

Airport Access and Ground Transportation

A significant improvement to travel to and from the Airport occurred this past fall with the completion of the 880/Coleman Avenue Interchange Project, a coordinated effort between the City of San José, CalTrans and the Santa Clara Valley Transportation Authority (VTA), which opened in mid-September 2006. The project reconfigured and widened the existing I-880/Coleman Avenue interchange ramps, relieving existing traffic and accommodating future traffic demands. A main feature of the project is the new entrance to southbound I-880 from Airport Boulevard through an underground tunnel. The entrance allows Airport users to exit directly onto the freeway.

The Airport's Cell Phone Waiting Area continues to provide a safe, secure, and convenient wait area to meet flights that have not yet arrived. The area helps to reduce traffic congestion in front of the terminals and the air pollution that comes with re-circulating traffic. The One-Hour Express Parking program has also been very successful in meeting the needs of customers. The Program dedicates 120 parking spaces, conveniently located near the entrances to baggage claim and the airline ticket counters, for those customers visiting the Airport to drop off or pick up passengers. The 2006 Holiday \$3 Dollar Off per day parking coupon program not only provided savings for Airport customers parking at the Airport, but also provided staff with valuable information from customers about regular use of the lots. Coupons were available on the Airport website and advertisements in the San José Mercury News.

Flight Information Displays

As shown below, consolidated Flight Information Displays (FIDs) were installed in Terminal C in fall



A meeter and greeter checks a flight's status on the new FIDs located in the Terminal C food court.

2006. Consolidated FIDs in Terminal A will be installed in the fall 2007. The screens allow outbound passengers, as well as “meeters and greeters”, the ability to determine flight times and gate locations. In the future, baggage carousel assignments for arriving flights will also be identified on the screens.

Customer Amenities



Making the most of current customer amenities at the Airport is quite important, since security concerns now mean that passengers get to the airport earlier. The Airport seeks to more than double retail food and beverage in the new

facilities. Providing a local look and feel is important to the City as are having amenities that the community and passengers want and need. The Airport continues to work with its stakeholders to maximize services and business opportunities.

City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 3: Travelers Have a Positive, Reliable, and Efficient Experience (Cont'd.)

ClearTM Registered Traveler Program

This spring special lanes for registered travelers opened at Mineta San José International, the first airport on the West Coast to offer this expedited security processing system. Under this program, pre-registered passengers go through a special security line cutting the screening process down to about five minutes.

Traffic Flow Improvements

The 2005 survey data suggests citizens have recently experienced reduced traffic on City streets and freeways as evidenced by the increase in satisfaction with traffic flow over the past few years. However, this improvement is due in large part to the higher unemployment rates and resulting reduction in the number of drivers on the road, particularly during commute hours. As employment and the economy improve, increased congestion is likely to occur and surveys will likely reflect that.

This CSA recognizes that improving traffic flow on streets and freeways is a key element of economic

revitalization, and continues efforts to retain as much of the improvement in traffic flow as possible with the economy rebounding and the number of commuters increasing. Specific traffic flow efforts include signal timing after the couplet conversions at 10th and 11th Streets, 3rd and 4th Streets, as well as Julian and St. James; capital project support including Light Rail controller studies; and operation of intelligent transportation systems to manage incidents as well as event traffic at the HP Pavilion and other major activity centers. This work also supports the strategic initiatives for Economic Development, particularly those regarding creating a “global gateway” through the Airport and the “most livable community” through improving access.

In 2007-2008, the CSA will continue to improve the traffic signal system and work with CalTrans and VTA to improve the efficiency of the freeway system and support the design work for light rail and BART extension projects.

City Service Area
Transportation and Aviation Services
PERFORMANCE BY OUTCOME

Outcome 3: Travelers Have a Positive, Reliable, and Efficient Experience (Cont'd.)

5 Year Strategic Goals	CSA Performance Measures	2008-2012 5-yr Goal	2006-2007 1-yr Target	2006-2007 Estimated	2007-2008 1-yr Target	2008-2009 2-yr Target
A. Passengers Have a Positive Experience When Using the Airport	1. % of customers rating the Airport amenities as good or excellent, based on availability, quality, and cost	90%	65%	N/A*	N/A*	N/A*
	2. % of business passengers rating the Airport services as good or excellent, based upon availability of amenities, quality, and cost	90%	70%	N/A*	N/A*	N/A*
	3. % of business passengers rating rental car services as good or excellent, based upon availability, quick return of rental cars, courtesy or rental car stuff, and reasonable rental car rates	90%	70%	N/A*	N/A*	N/A*
B. Airport Customers Experience Reasonable and Predictable Travel	1. % of customers rating travel time from the Airport entrances to the terminals as good or excellent	100%	70%	N/A*	N/A*	N/A*
C. Improve Traffic Flow on Major Streets	1. % of residents rating commute traffic flow on city streets as "acceptable" or better	50%	60%	60%	60%	60%
	2. % of City intersections at Council-adopted level of service	98%	98%	98%	98%	98%
D. Facilitate Efficient Operations of the Regional Freeway System	1. % of residents rating commute traffic flow on freeways and expressways as "acceptable" or better	35%	45%	45%	45%	45%
	2. % of freeways operating at below 35 mph during peak hours	40%	40%	40%	40%	40%
E. Enhance Access to Major Activity Centers and Events	1. % of customers rating access to major activity centers as "easy:"					
	Downtown	75%	73%	73%	73%	73%
	Airport	75%	73%	73%	73%	75%
	HP Pavilion Arena	75%	71%	71%	71%	71%
	Regional Shopping Centers	80%	82%	82%	82%	82%

Changes to Performance Measures from 2006-2007 Adopted Budget: No

* The annual Airport Customer Survey has been temporarily suspended (2005-2006 through 2007-2008) in order to focus on long-term improvements to facilities and services.

City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 4: Preserve and Improve Transportation Assets and Facilities

Airport Airfield Improvements

The “Renzel Airfield Improvement” project completed in 2007 provides the backbone to future terminal facilities and services. The project (total project cost of \$45 million, of which \$14.6 million was funded by FAA grants) was completed on-time and on-budget within the confines of ongoing day-to-day operations of the Airport. Specific work included design and reconstruction of Taxiway Y, Taxiway Z widening, and the North Concourse storm sewer relocation, allowing improved operational flexibility by widening Taxiway Z for larger aircraft. The stakeholder and partnership coordination and collaboration of the project was exceptional and provides an excellent model for future projects.



Airport Infrastructure Improvements

Mineta San José International Airport continues the development of infrastructure necessary to meet the region’s air service needs. The Terminal Area Improvement Program, the development of the Airport West property, the design of Airport roadway systems, and engineering of a Consolidated Rental Car Facility (ConRAC), will all contribute to the development of transportation infrastructure that addresses critical customer service needs as well as supports airline industry demands.

North Concourse Building

The work accomplished this past year includes the continuing construction of the North Concourse Building. The North Concourse represents the first new passenger space developed since the Federal Inspection Facility (FIS) was opened in 2002 and the first terminal space since the opening of Terminal A in 1992. All of these improvements represent a significant achievement in the rebuilding and modernization of the Mineta San José International Airport.



Airport Terminal A+ and the CMMS System

The Airport will begin maintaining and operating Terminal A+ beginning in December 2007. The existing building opened in 1992 and has been operated and maintained exclusively by American Airlines. Although inclusion of this property into the Airport asset inventory allows the Airport to consolidate and move to shared-use systems, taking on additional aging infrastructure will continue to put pressure on limited maintenance funds and staffing.

Aging infrastructure, decreased staffing levels, and high vacancy levels have required the development of systems and priorities that efficiently drive the work order process. A new Computerized Maintenance Management System is being developed to facilitate preventative maintenance, enhance work order management, asset lifecycle management, workforce analysis and benchmarking, and automated integration with automated building systems.

The survey that provides performance measurement results related to facilities and airport facility condition has been put on hold until after 2008-2009. Even with improvements, efficiencies, and hard work, the impacts of construction and staff reductions are anticipated to impact some customers.

Outcome 4: Preserve and Improve Transportation Assets and Facilities (Cont'd.)

Infrastructure Maintenance Condition

The combination of shrinking resources and growing inventories has had a visible effect on infrastructure maintenance and the overall condition of City infrastructure assets. In 2006-2007, core service condition ratings are continuing to fall nearly across the board: neighborhood street trees (39% in “good” or better condition, down from 47%), street landscapes (65% in “good” or better condition, down from 68%), traffic signals (28% meeting preventive maintenance guidelines, down from 37%), traffic and street name signs (79% meeting visibility and operational guidelines, down from 83%), and street pavement condition (78% in good or better condition, down from 79%). Community Survey results indicate that transportation-related facilities and services are some of the most serious concerns facing San José residents. Approved reductions to traffic signal maintenance, landscape maintenance, and the elimination of sidewalk grants, and street tree maintenance starting in 2008-2009, will have further long-term negative impacts to the condition of these assets. The City street network’s estimated one-time need based upon the current analysis related to the Traffic Maintenance Master Plan development is estimated at \$270 million.

Stretching and Augmenting Resources

The City remains committed to the safety of its citizens. Safety critical repairs will continue and hazardous condition response levels will remain high. In 2007-2008, the timeliness measures for work of this nature will continue at 2006-2007 levels.

Key investments have been programmed in 2007-2008 in order to help mitigate maintenance resource reductions. One time funding of \$4.8 million was approved to continue to address priority concerns in pavement, roadway markings, and traffic signage. Additionally, the City of San José anticipates significant funding from Prop 42 and Prop 1B. These new funds will be used for resurfacing of major streets that meet the guidelines and qualifications. Finally, as directed in the Mayor’s March Budget Message, as part of the Annual Report process each year, 50% of the General Fund’s Ending Fund Balance will be allocated to DOT for deferred street maintenance and repair projects.

The Department of Transportation presented a Council-directed report in spring 2006 to the Building Better Transportation Committee that proposed the development of a Master Plan on City Transportation Conditions and Funding Needs. This proposed Master Plan thoroughly defines asset conditions, needs, and priorities, as well as evaluates community interest and support in funding those needs. It is also in alignment with the City Council’s adopted strategic objectives and three year goals established in the February 2007 Priority Setting Session. The Department expects to present the completed Master Plan to the Transportation and Environment Committee in late fall 2007.

City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 4: Preserve and Improve Transportation Assets and Facilities (Cont'd.)

5 Year Strategic Goals	CSA Performance Measures	2008-2012 5-yr Goal	2006-2007 1-yr Target	2006-2007 Estimated	2007-2008 1-yr Target	2008-2009 2-yr Target
A. Maintain Pavement Surfaces in Good Condition	1. % of residents rating "neighborhood" streets in "acceptable" or better condition	79%	87%	87%	87%	87%
	2. % of streets rated in "fair" or better condition (50 or greater on a 0-100 scale)	73%	79%	78%	77%	75%
	3. City average Pavement Condition Index (PCI) rating (Metropolitan Transportation Commission recommended condition level is .80)	0.60	0.64	0.62	0.63	0.62
B. Maintain Traffic Devices in Good Condition	1. % of traffic signals, signs, and markings in "good" or better condition (visible and functioning properly)	59%	59%	57%	60%	59%
C. Preserve and Enhance Neighborhood Streetscape	1. % of residents rating streetscapes in "good" or better condition (includes: sidewalks, street lights, landscaping, and trees)	55%	61%	61%	61%	61%
	2. % of neighborhood street trees in "good" or better structural condition	37%	37%	39%	37%	37%
	3. % of residents rating adequacy of street lighting as "good" or better	58%	59%	59%	59%	59%
	4. % of planned landscaped median island locations complete	72%	72%	72%	72%	72%
D. Maintain Airport Facilities in Good Condition	1. % of customers rating Airport facilities as good or excellent, based upon availability, condition and cleanliness	90%	87%	N/A*	N/A*	N/A*
	2. % of business passengers rating Airport services as good or excellent, based upon service availability, facility condition, and cleanliness	90%	85%	N/A*	N/A*	N/A*
	3. % of tenants rating Airport services as good or excellent, based upon facility condition, cleanliness, safety, efficiency, and responsiveness	90%	90%	N/A*	N/A*	N/A*

Changes to Performance Measures from 2006-2007 Adopted Budget: No

* The annual Airport Customer Survey has been temporarily suspended (2005-2006 through 2007-2008) in order to focus on long-term improvements to facilities and services.

Outcome 5: Provide a Transportation System that Enhances Community Livability

Neighborhood Traffic Impacts

Traffic calming efforts are being appreciated by citizens as evidenced in the 2005 Customer Survey in which 73% of citizens rated traffic impacts in their neighborhood as “acceptable” or better, down slightly from 75% in 2003 but the same as in 2001 and substantially higher than 63% in 2000. Further, the overall number of traffic calming studies requests has consistently gone down from 2,060 in 2002-2003 to 1,700 estimated for 2006-2007.

Community Programs—ACT

The Airport is committed to being a good neighbor in the community by implementing programs to minimize the impacts of operations on the community. By far, the largest program to serve the community is the Acoustical Treatment Program (ACT). The ACT program started in 1993 has successfully treated over 2,400 dwellings with \$141 million in funds. Category I ACT was completed in 2002-2003 and included primarily Santa Clara residences in the Agnews area. Category 1B expanded the program to the Rosemary Garden, Ryland Vendome, Market/Almaden, and Guadalupe/Washington neighborhoods. The 2008-2012 Airport CIP includes \$2.5 million in funding for the treatment of remaining residences located in the 65 decibel Community Noise Equivalent Level (CNEL) noise contour and includes treatment of properties located in the City’s updated 2010 contour projection.

Airport Neighborhood Service Group (ANSG)

A new Airport Ombudsperson has now joined the ANSG team. This position, requested specifically by City Council, now reports directly to the Airport Director and continues to work in the City’s neighborhoods as a partner with the SNI program to minimize Airport impacts and serve as an advocate for



residents. The group facilitates interactive educational community meetings and assists in addressing neighborhood concerns to enhance communication and improve service.

Community Programs—Investment of Curfew Fines

In fall 2006, the Airport completed an extensive outreach effort to determine the most beneficial use of Curfew violation fines. Four programs have been developed and are in process: the Fly Quiet Program which seeks to inform and influence airlines to operate as quietly as possible; the Airport Internship program that works in conjunction with San José State University; an Alternative Fuel Grant Program that will help to facilitate the use of alternative fuel vehicles at the Airport by shuttle van, taxi, and airlines; and the addition of funding to support the development of the Guadalupe River Park and Gardens Master Plan. Approximately \$36,000 in additional fines and interest have been received since the approval of the program; allocation of those funds is anticipated to take place in 2007-2008.

***Outcome 5: Provide a Transportation System that Enhances Community Livability
(Cont'd.)***

Noise Monitoring

The Airport continues to work cooperatively with both the community and the airlines to provide enhanced noise monitoring, curfew enforcement, reporting, and community outreach. The Airport is in the process of upgrading the Airport Noise Monitoring System using a \$1.4 million FAA grant. This system provides data tracking and storage of aircraft flights within a 150 mile radius of the Airport, providing information on flight tracks, noise, operation, and complaints to enforce the noise curfew program at SJC. The upgrades include better flight tracking capabilities, enhanced aircraft data flow, and a modern web-based application. The new system will automate most of the Noise Center's reports, provide graphic enhancements that are clear to the public, and modernize the Airport Noise Report Recorder.

Environmental Programs

The CSA continues efforts to reduce air emissions associated with Airport operations, and seeks to be a leader in the use of alternative fuel vehicles. The fleet of compressed natural gas (CNG) powered shuttle buses introduced in April 2003 will be expanded in

2007-2008 with the addition of 14 new CNG buses that will replace the diesel rental car shuttle bus fleet. Funding for the transition has been made available in part from a Bay Area Air Quality Management grant which also supported the retrofitting of the existing diesel buses to reduce emissions.

The policy to encourage taxi and other ground transportation operators to invest in alternative fuel vehicles has been quite successful. Use of Airport CNG fuel has grown to 230,000 gallons of gas equivalent (GGE) for 2006-2007, a 76% increase from 2005-2006 totals. Policies, purchases, and agreements will continue to be developed to encourage the use of alternative fuels, as well as enhance the use of the Airport CNG fueling station.

Environmental programs will continue to be developed and operated as part of a "green operations" program at the Airport, including: an in-house terminal recycling program, support for airline back office recycling, ongoing energy efficiency infrastructure improvements, sustainable building design planning and development, and alternative transportation programs such as the VTA FLYER and EcoPass program.

City Service Area
Transportation and Aviation Services
PERFORMANCE BY OUTCOME

Outcome 5: Provide a Transportation System that Enhances Community Livability
(Cont'd.)

5 Year Strategic Goals	CSA Performance Measures	2008-2012 5-yr Goal	2006-2007 1-yr Target	2006-2007 Estimated	2007-2008 1-yr Target	2008-2009 2-yr Target
A. Provide Neighborhood-Friendly Traffic Operations	1. % of residents rating traffic impacts in their neighborhood as "acceptable" or better	75%	73%	73%	73%	73%
B. Reduce the Incompatible Land Uses Around the Airport to Zero	1. Acreage of incompatible land uses	0	0	0 Acres	0	0
C. Strengthen Communication with All Stakeholders Regarding the Noise Impact of Operating the Airport	1. % of noise complaints responded to within one day	100%	100%	100%	100%	100%
	2. % of customers rating the Airport response to noise issues as satisfactory or better	100%	100%	100%	100%	100%
D. Establish the Airport as a Responsive and Active Participant in the Local Community	1. % of community organization leaders who rate the Airport as an established and active participant within the community	90%	90%	N/A*	80%	85%

Changes to Performance Measures from 2006-2007 Adopted Budget: No

* The Airport Community Leader survey will be completed in July 2007.

City Service Area

Transportation and Aviation Services

ADOPTED INVESTMENT CHANGES

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<i>Outcome:</i> PROVIDE SAFE AND SECURE TRANSPORTATION SYSTEMS			
<i>Airport Customer Service (Airport)</i>			
• Airport Private Security Services		745,455	0
<i>Traffic Safety Services (Police)</i>			
• Mayor's Message Sworn Motor Officer Staffing	3.00	385,579	252,712
• Rebudget: Driving Under the Influence Equipment		25,025	0
<i>Transportation Operations (Transportation)</i>			
• Neighborhood Automated Speed Compliance Program (NASCOPI)	(4.00)	(406,496)	(406,496)
• Traffic Safety Education	2.00	209,292	0
<i>Strategic Support (Airport)</i>			
• Airport Security and Vulnerability Audit*		58,000	0
<i>Subtotal</i>	1.00	1,016,855	(153,784)
<i>Outcome:</i> PROVIDE VIABLE TRANSPORTATION CHOICES THAT PROMOTE A STRONG ECONOMY			
<i>Community Air Service (Airport)</i>			
• Air Service Development Contractual Services		(140,000)	0
• Airport Shared-Use Staffing Realignment	(0.80)	(74,470)	0
• Long Haul International Air Service Route Development*		250,000	0
<i>Transportation Planning and Project Delivery (Transportation)</i>			
• Traffic Capital Program Support	10.00	1,050,681	0
<i>Strategic Support (Airport)</i>			
• Selected Airport Non-Personal/Equipment Funding Efficiencies		(39,702)	0
• Airport Shared-Use Staffing Realignment	(0.20)	(18,615)	0
• Airport Shared-Use Systems Administration		474,000	0
• Airport Maintenance Management System Temporary Staffing		56,650	0
<i>Subtotal</i>	9.00	1,558,544	0
<i>Outcome:</i> TRAVELERS HAVE A POSITIVE, RELIABLE AND EFFICIENT EXPERIENCE			
<i>Airport Customer Service (Airport)</i>			
• Airport Customer Service Outreach		(45,500)	0
• Airport Contractual Signage Services		(16,500)	0
• Terminal A+ Maintenance and Operations*	5.00	1,330,607	0
• Airport Shared-Use Staffing Realignment	2.25	234,745	0
• Airport Contractual Terminal Support Services		39,956	0
<i>Parking Services (Transportation)</i>			
• Parking Operations Staffing	2.00	265,305	0
• School Area Parking Compliance	2.00	237,686	447,000
<i>Strategic Support (Airport)</i>			
• Airport Customer Service Outreach		(4,500)	0
• Rebudget: Airport Curfew Fines Program		238,935	0
<i>Subtotal</i>	11.25	2,280,734	447,000

Transportation and Aviation Services***ADOPTED INVESTMENT CHANGES***

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<i>Outcome:</i> PRESERVE AND IMPROVE TRANSPORTATION ASSETS AND FACILITIES			
<i>Pavement Maintenance (Transportation)</i>			
• Vehicle Maintenance Staffing		(14,816)	(14,816)
• Pavement Maintenance, Inspector, and Engineering Staffing	7.00	787,896	0
<i>Street Landscape Maintenance (Transportation)</i>			
• Street Landscape Staffing	(5.25)	(425,966)	(425,966)
• Vehicle Maintenance Staffing		(5,008)	(5,008)
• Maintenance Assessment District Renovations		500,000	0
• New Transportation Infrastructure Assets Operations and Maintenance Costs		168,500	168,500
• Sidewalk Repair Program		122,769	197,434
• Street Tree Services		0	0
<i>Traffic Maintenance (Transportation)</i>			
• Traffic Maintenance Staffing	(2.00)	(200,051)	(200,051)
• Vehicle Maintenance Staffing		(4,176)	(4,176)
• New Transportation Infrastructure Assets Operations and Maintenance Costs		169,500	169,500
<i>Subtotal</i>	(0.25)	1,098,648	(114,583)
<i>Outcome:</i> PROVIDE A TRANSPORTATION SYSTEM THAT ENHANCES COMMUNITY LIVABILITY			
<i>Airport Environmental Management (Airport)</i>			
• Airport Shared-Use Staffing Realignment	(1.25)	(141,658)	0
• Selected Airport Non-Personal/Equipment Funding Efficiencies		(3,798)	0
<i>Street Landscape Maintenance (Transportation)</i>			
• Community-Based Organizations Funding Reduction		(7,077)	(7,077)
<i>Subtotal</i>	(1.25)	(152,533)	(7,077)

City Service Area

Transportation and Aviation Services

ADOPTED INVESTMENT CHANGES

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<i>Other Changes</i>			
<i>City-Wide Expenses (City-Wide)</i>			
• Lincoln Avenue Property Based Improvement District		65,000	65,000
• Parking Citations/Jail Courthouse Fees		45,000	45,000
• Parking Citations Processing		21,000	21,000
• Miscellaneous Rebudgets		646,592	646,592
<i>General Fund Capital, Transfers, and Reserves (City-Wide)</i>			
• Capital Contributions: City-Wide Sidewalk Program		(683,000)	(683,000)
• Capital Contributions: Congestion Management Dues (Proposition 111) Funding Shift		(785,000)	(785,000)
• Capital Contributions: Hedding Street Lighting		205,000	205,000
• Capital Contributions: Transportation Backlog - Roadway Striping and Repainting*		475,000	475,000
• Capital Contributions: Transportation Backlog - Street Resurfacing*		3,900,000	3,900,000
• Capital Contributions: Transportation Backlog - Traffic Sign Replacement*		420,000	420,000
• Capital Contributions: Rebudget of 2006-2007 Projects		2,240,000	2,240,000
• Earmarked Reserves: Street Maintenance Activities Reserve Elimination		(338,000)	(338,000)
<i>Subtotal</i>	0.00	6,211,592	6,211,592
Total Core Service Changes	19.75	12,013,840	6,383,148

* Approved investment change is a new initiative/spending item since the 2006-2007 Adopted Budget.

Service Delivery Framework

